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Dear Ms White.

It is with interest that we note the conclusions of your cost of electricity generation workshop and associated levelized cost of energy study completed with Navigant Consulting.

In particular we refer to the section on wave energy conversion. As a wave power technology developer, Wavebob Ltd has developed detailed models and projections for the delivered cost of energy from its patented wave energy convertor. Clearly our business success relies on our ability to develop technology with the capacity to deliver energy at a competitive rate.

Our models concur with results of the UK Marine Energy Challenge which studied cost competitiveness issues and the growth of wave and tidal stream energy. This 18-month programme of directed engineering, supported by The Carbon Trust, provided detailed cost comparisons of a number of wave and tidal technologies – of which Wavebob was one. This study concluded that, while wave energy developments will certainly be more expensive than alternative forms of energy initially, *step change* cost reductions will be achieved when units are deployed in large scale arrays.

The costs presented in the Navigant study do not, we believe, reflect this step change and consequently are well in excess of any cost scenario that we have developed. Indeed, our view is that these costs may be over estimated by some considerable margin.

We have concerns, therefore, that this report presents an inaccurate perspective of the potential of this technology and requires further analysis. We are happy to provide, in confidence, details of our costs by way of comparison and would be delighted to meet with you during our visit to California next month.

We are grateful of the opportunity of presenting our opinion and look forward to contributing to your work.

Yours sincerely,

Andrew J. Parish
Chief Executive